

DIRECTOR'S REPORT
PROPOSED AMENDMENTS RELATING TO
MINIMUM PARKING REQUIREMENTS
for Multifamily Uses Serving
Very Low-income Households
MARCH 15, 2002

Summary and Recommendation

On October 8, 2001, the Mayor signed legislation changing the parking requirement for multifamily residential uses containing units dedicated for low-income households earning 50% or less of the Seattle region's median household income. Those changes were based on data showing that a significant portion of the then-required parking for such units went unused. In its discussion of that legislation, Councilmembers asked whether transitional housing served populations whose car-ownership patterns justified further changes to the parking requirement. A review of survey data gathered by the Department of Design, Construction and Land Use (DCLU) and the Office of Housing (OH) shows that, when factors such as the size of the dwelling unit and its location in Seattle are accounted for, current parking requirements will result in more parking spaces than needed by very-low-income populations. Requiring more parking spaces than needed unnecessarily raises the cost of building housing, thus DCLU recommends changing the requirement as shown on Table 1. A comparison of the current and proposed parking requirement is shown on Table 2.

Table 1

Location and income criteria⇒	Units for households at or below 30% of median income¹ in a Center City neighborhood²
Unit Size (#Bedrooms)↓	
Two bedrooms or smaller	• 1 space per 3 dwelling units
Three bedrooms or larger	• 1 space per 2 dwelling units

1. In 2001, a one-person household at 30% of median income for the Seattle-Bellevue-Everett PMSA earns \$15,150 (\$21,650 for a family of four). See Appendix A.

2. For purposes of these amendments, Center City neighborhoods are the following urban villages: Uptown, South Lake Union, Capitol Hill, Pike/Pine, First Hill, and 12th Avenue.

Table 2

Unit type and location	Estimated parking demand	Current minimum requirement	Proposed minimum requirement
2 bedroom or smaller in Center City neighborhood	0.31 space (180 units reporting)	0.5 space	0.33 space
3 bedroom or larger in Center City neighborhood	0.29 space* (21 units reporting)	1 space	0.5 space

*There is some likelihood that this result is due to chance based on the small number of 3 bedroom units (serving 30% or below median households) reporting their parking use.

Background

While discussing the October 2001 legislation that reduced minimum parking requirements for multifamily units serving households earning 50% or less of median income, Councilmembers asked whether transitional housing served populations whose car-ownership patterns justified further reduction. Rather than define transitional housing, DCLU and OH staff determined that an income criterion of 30% of median would be more practical to administer. Transitional housing typically refers to housing or shelter provided to individuals or families making the transition away from homelessness, but it sometimes refers to individuals or families making abrupt domestic changes, such as when a nonworking spouse must escape domestic violence. Transitional housing also suggests limited length of stay, which in other jurisdictions ranges from three months to three years. By addressing the housing characteristics of all very low-income households, the City can avoid the problems inherent in defining transitional housing, and rely on data clearly indicating that household income influences rates of car ownership.

Councilmembers also asked whether proximity to frequent transit service would justify changes to the parking requirement. Such change would lower construction costs outside of Center City neighborhoods and along transit corridors, where more parcels of land are available for low-income housing development and land costs are generally lower. The available data, however, indicate that proximity to transit does not lower parking demand. Of the 13 housing projects in our sample with the highest parking demand (which were located outside of Center City neighborhoods), King County Transit Division data show that nine of these buildings would have qualified for a reduction based on frequent transit service.¹ Transit service can also change over time, whether due to the vicissitudes of public funding or to shifting transportation corridors, and the amount of required parking is expected to endure for the life of the building.

Objectives of the Minimum Parking Requirement

In analyzing the minimum parking requirement for multifamily uses, OH and DCLU staff took into account several key objectives in making the proposed changes. Parking requirements should:

- Strike a balance between (a) providing sufficient parking to avoid significant on-street parking impacts and (b) avoiding unnecessary housing construction costs that result from required parking that goes unused.
- Help ensure the most effective use of the City's limited housing resources.
- Support City goals to diversify its portfolio of funded housing projects to meet the needs of large families and small and one-person households.
- Encourage a mix of household incomes in new developments.
- Avoid creating parking incentives that would encourage concentrations of poverty.
- Recognize areas of Seattle where viable alternatives to car ownership exist (e.g., high level of transit service, proximity to necessary services).
- Encourage efficient use of land available for development and/or redevelopment.
- Be understandable and enforceable.

¹ "Frequent transit service" for this purpose meant the project was located within 600 feet of a street with midday transit service headways of 15 minutes or less in each direction. *See* SMC 23.54.020 F.

Effect of Parking on Housing Costs

Parking is an affordable housing issue. Locally, it is estimated that a single parking space adds between \$15,000 to \$30,000 to the cost of a dwelling unit, depending on such factors as location, land costs, parking demand in the surrounding area, and whether the parking is provided within a structure or on the surface. A 1995 Canadian study estimates that one parking space per unit increases the unit's cost by 12.5% and two spaces increases the cost by 25%.² Other studies suggest the cost of providing parking acts to increase housing prices by more than the direct cost of the parking spaces.³

Excessive parking requirements unnecessarily raise the cost of housing. Local low-income housing developers often report that the City's multifamily parking requirements (1.1 to 1.5 spaces per unit) are excessive for their developments because their tenants own fewer cars. The practice of requiring more parking than needed by very low-income households also reduces the reach of the City's limited housing funds.

Since 1996, the City of Seattle funded approximately 3,700 units of housing dedicated for low-income households. Most of these are rehabilitated units with parking already in place. Approximately 740 of the newly constructed units did not qualify for lower minimum parking requirements (whether by being located Downtown or by serving elderly or disabled households). Some of these units, most of which are small (studio and one-bedroom), could have benefited directly from the proposed changes. The combined benefits from the October 2001 amendment and the proposed amendment will free up resources to build more units. The Seattle Comprehensive Plan clearly directs us to consider the impacts of required parking on housing costs (*see* Appendix C).

Car Ownership Behavior Among Low-income Households

Because of the high costs involved, income is clearly a key factor influencing car ownership behavior. The American Automobile Association (AAA) estimates the average cost of owning a new car to be \$5,300 (1999 dollars) per year, or about 53 cents per mile for a person who drives 10,000 miles per year. Even for a ten-year old car, the estimated cost is \$2,500 per year (\$208 per month).⁴ For a single person earning 30% of median (i.e., \$15,150 per year or \$1,262 per month), the cost of a ten-year old car (assuming the same \$2,500 as suggested above) would require dedicating 17% of his/her gross income to car ownership. By comparison, a single person at median income (i.e., \$50,500 per year or \$4,208 per month) would need to dedicate only five percent of his/her gross income to pay for the same car.

Local 1990 Census data also indicates a strong correlation between household income and number of vehicles available.⁵ The average number of vehicles available was lowest

² Littman, T. "Parking Requirement Impacts on Housing Affordability," Victoria Transport Policy Institute, Victoria, B.C., Canada, 23 October, 1995.

³ Shoup, D.C., "An Opportunity to Reduce Minimum Parking Requirements," *Journal of the American Planning Association*, vol. 61, No.1., Winter 1995, pp. 14-28.

⁴ CarSharing Portland. *Calculating the True Cost of Owning Your Car*.

⁵ The 1990 Census reports number of vehicles available per household, which is higher than parking demand. Staff estimates vehicles available per household to be roughly 25% higher than parking demand.

(0.53 vehicles per household) among households earning less than \$5,000 a year and highest (2.35) among households earning \$150,000 a year or more (*see* Appendix B).⁶

Households earning less than 30% of median (estimated at \$11,157 in 1990) had an average of less than 0.59 vehicles available, which is 66% less than the average for households earning median income. For households at 50% of median (estimated at \$18,596 in 1990), the average number of vehicles available was approximately 1.05, which is 37% less than the average for households earning median income.

Current Parking Requirements for Multifamily Uses

The Seattle Land Use Code establishes minimum off-street parking requirements for multifamily uses (Chart A to SMC 23.54.015). These requirements may be modified as a permit condition under the City's State Environmental Policy Act (SEPA) Parking Policies (SMC 25.05.675 M). The City's minimum parking requirements and associated SEPA policies help minimize parking impacts of new development on the surrounding neighborhood. The parking requirement for multifamily uses generally ranges from 1.1 to 1.5 parking spaces per unit, depending on the following factors:

- number of units
- unit size, and
- number of bedrooms per unit

Exceptions apply in certain geographic areas, as shown in Appendix D, which lists the City's minimum parking requirements for residential uses.

Current Exceptions Based on Income

The income-based exceptions shown on Table 3 currently apply to multifamily uses:

Table 3

Multifamily Uses Exceptions Based on Income	Parking Requirement
Multifamily uses occupied by low-income elderly households	<ul style="list-style-type: none"> • 1 space per dwelling units
Multifamily uses occupied by low-income disabled households	<ul style="list-style-type: none"> • 1 space per 4 dwelling units
Multifamily uses occupied by low-income elderly/low-income disabled households*	<ul style="list-style-type: none"> • 1 space per 5 dwelling units
Multifamily Pike/Pine Overlay District	<ul style="list-style-type: none"> • 1 space per 2 units for every unit dedicated to households at or below 60% of median.
Multifamily uses occupied by households earning 31% to 50% of median income in Center City neighborhoods	<ul style="list-style-type: none"> • 1 space per 2 units for every 2-bedroom or smaller unit, and 1 space per unit for every 3-bedroom or larger unit.
Multifamily uses occupied by households earning 31% to 50% of median income	<ul style="list-style-type: none"> • 0.75 space per unit for each 2-bedroom or smaller unit.
Multifamily uses occupied by households earning 30% of median income	<ul style="list-style-type: none"> • 1 space per 2 units for every 2-bedroom or smaller unit, and 1 space per unit for every 3-bedroom or larger unit.

* These and other terms are defined in Appendix E.

⁶ The average (mean) number of vehicles available to households in Seattle was 1.43 per household. Households at median income (i.e., \$37,191) had an average number of 1.67 vehicles available to them.

Parking Provisions in Selected Jurisdictions

Staff at OH contacted other jurisdictions that have adopted modified parking requirements for residential uses that serve low-income (non-elderly/non-disabled) households. Bellevue substantially reduces the parking requirement (to 0.25 per unit) for studio apartments located in its downtown available to persons earning 60% or less of the median income. Newcastle and Woodinville reduce the parking requirement for projects with 100% below-market units to 1 space per unit (from up to 2 spaces per unit). Spokane, Tacoma, and Everett do not reduce parking requirements for non-elderly/non-disabled households. (See Appendix F.)

Survey of Parking Demand

In March 2001, OH mailed surveys to local nonprofit housing developers requesting parking utilization data by income category (0 to 30% of median; 31-50% of median, and 51-80% of median) for each project they own or manage. Responses were solicited from 29 members of the Housing Development Consortium (many of whom manage multiple projects) of Seattle-King County (HDC) and from non-profit organizations managing 51 projects that receive City low-income housing funds.

Responses were compiled to evaluate the current parking requirements against the actual parking demand/utilization in these projects. Special emphasis was placed on newly constructed projects built within the past ten years, for which parking was required. Providers were asked to exclude projects located Downtown because they are already exempt from parking requirements. Providers were also asked to exclude projects primarily serving low-income elderly and/or low-income disabled households, because modified parking requirements already exist for such projects. Thirty-three surveys were completed and returned. (See Appendix G for the survey form.)

Analysis of Units Occupied by Households at 30% or Less of Median

Twelve of these 33 projects contained set-aside units for households at or below 30% of median. Together, these 12 projects comprise a total of 432 units (160 of which are occupied by households at or below 30% of median) for which 470 parking spaces were provided. A synopsis of these 12 projects is provided in Table 4.

Table 4

Bedroom Size	No. Units	Parking Used by Residents	Parking Used By On-site Staff	No. Projects Reporting
SRO	41	10 (0.24:1)	-	1
Studio	20	5 (0.25:1)	-	2
1 Bedroom	44	21 (0.48:1)	-	5
2 Bedrooms	37	18 (0.49:1)	-	9
3 + Bedrooms	18	20 (1.11:1)	-	3
Total (all units)	160	74 (0.46:1)	9	12⁷

Summary. The data indicates the average number of parking spaces used by residents (74 out of 160) was 0.46 spaces per unit.

Effect of Number of Bedrooms. The data also suggest that parking use rates increase with the number of bedrooms per unit. Households living in SRO and studio units appeared to have much lower rates of parking use (i.e., approximately one space for every four units – 0.25:1), while those living in units containing three or more bedrooms had parking use rates of over one space per unit (1.1:1). Parking use among households living in one- and two-bedroom units falls in between this range with an average of about one car for every two units (0.5:1).

Length of Stay. Parking demand appears to be similar whether one lives in limited-time transitional housing or permanent housing. Although residents in transitional housing facilities tended to own fewer cars, this difference was often offset by the use of parking by on-site staff (see Appendix H). The Low Income Housing Institute (LIHI) conducted a separate survey of parking utilization in transitional housing facilities and emergency shelters. They found average parking use rates, including staff parking, of approximately one space for every three units (0.33:1) for transitional housing and approximately one space for every five units (0.19:1) for emergency shelters. (See Appendix I.)

Effect of Location. The survey's findings indicate that location (Center City neighborhoods versus those located outside of them) probably influences parking demand, even at this income level. Parking demand appeared to be higher among households living outside Center City neighborhoods. The apparent lower demand in Center City neighborhoods may be attributable to a combination of characteristics common in these neighborhoods:

- Access to more frequent transit service
- Proximity to social and other services
- High cost of parking/car storage in these neighborhoods

⁷ Some projects contain units with different unit sizes (i.e., different number of bedrooms) and have been counted more than once, where necessary.

Enlarging the sample to include, in addition, households earning 31% to 50% of median, we find a strong pattern suggesting that location influences parking demand, with an average parking use rate inside the Center City neighborhoods of less than one space for every three units (0.31:1) and an average rate outside of almost one space per unit (0.98:1). Assuming there are no factors, aside from parking used by on-site staff, that would interrupt a smooth continuum of theoretical demand, then location seems to influence parking demand.

Supplemental Questionnaire. To supplement the quantitative data from the survey, a brief questionnaire was distributed to service providers who work directly with this population to obtain qualitative input. OH staff attended several meetings of the Homeless Families Coalition and the Seattle-King County Coalition for the Homeless. Thirty-six questionnaires were returned. A copy of this questionnaire is provided in Appendix J. An overview of questionnaire responses is included in Appendix K. On average, respondents reported that 26% of the households they serve own cars.

Data Verification

Four months after the parking demand survey data was gathered, OH staff conducted a follow-up sample survey to confirm the parking utilization data reported in the original survey. On-site visits were made between 6:00 p.m. and 7:30 p.m., a time considered to be appropriate for capturing peak period demand. Findings from this verification process indicate that less than half (45%) of parking spaces were actually in use at the time of visit. A copy of the results from the follow-up survey is provided in Appendix L.

Recommendations

DCLU and OH recommend adoption of the proposed Land Use Code amendments modifying parking requirements for multifamily uses containing units dedicated for households located in Center City neighborhoods and earning 30% or less of median income. Reducing the parking requirement will remove an unnecessary barrier to very low-income housing development and will result in more productive use of the City's developable land and its limited housing dollars.

These recommendations are based on a survey of parking utilization in low-income housing projects, the results of which have been verified through on-site visit. Additional parking demand was built into the final recommendations to allow for parking used by on-site staff and/or visitors. The experience of service providers who work directly with this population was also considered, along with local Census data on average household car ownership (vehicles available) rates that indicates a significant correlation between income and car ownership behavior.

Appendices

The following appendices are attached to this report:

- A. HUD Published Median Income Limits and Affordable Rents for Seattle, 2001
- B. Average Vehicles Available by Household Income, City of Seattle, 1990
- C. Related Policies from the Seattle Comprehensive Plan
- D. Parking Requirements for Multifamily and other Residential Uses
- E. Definitions
- F. Parking Provisions Adopted in Selected Jurisdictions
- G. Copy of Survey Mailed to Housing Providers
- H. Survey Data
- I. Parking Utilization Survey Conducted by the Low Income Housing Institute
- J. Copy of Questionnaire Distributed to Local Service Providers
- K. Overview of Questionnaire Responses from Local Service Providers
- L. Verification of Survey Data